

August 26, 2002

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
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From: David E. Janssen
Chief Administrative Officer

STATE LEGISLATIVE UPDATE

State Budget Update

In an apparent effort to break the budget deadlock, according to *The Sacramento Bee*, Assembly Speaker Herb Wesson appeared before the Assembly Republican Caucus on Saturday, August 24, 2002, and outlined a new budget offer. While details remain sketchy, it included \$200 million in additional spending reductions in the proposed budget, a spending cap for fiscal 2003, and a 1,000 position reduction in the State work force by the end of 2003-04 for an additional \$100 million in savings. The Speaker called for an immediate counteroffer. However, no such offer was forthcoming on either Saturday or Sunday, the 55th and 56th days of the budget stalemate.

While the impact of the budget stalemate has been fairly limited and selective, small businesses that supply goods and services to the State are apparently hurting as the deadlock approaches two-months. Moreover, each week seems to add a new category of people whose credit has expired or who will not receive payment from the State. Last week brought reports that some regional centers for the disabled would have to close on September 1, 2002, because their line of bank credit was exhausted. In addition, Cal Grant recipients were put on notice that they would not receive their first payment.

In response, Assembly Republicans signaled a willingness to support legislation to pay vendors and others until September 15. However, *The Sacramento Bee* reported that the Governor, who under the Constitution would be required to request an emergency appropriation, rejected the offer, as did Assembly Democrats, saying the State needed a

real budget rather than a piecemeal budget. On Saturday, Assembly Republicans attempted to push through an amendment to SB 676 (Poochigian) to make payments “necessary for the preservation of the public peace, health or safety”, including payment to Cal Grant recipients and the regional centers. Assembly Democrats responded by substituting an amendment to make all payments authorized by statute at prior year levels until a budget is adopted, except for the salaries and per diems of Legislators. The amendment passed with 13 Republicans voting “Aye”, after which the Assembly voted unanimously to adopt the amended bill. However, before it could be returned to the Senate for concurrence, the bill was amended to be a continuing resolution and referred to the Assembly Budget Committee indefinitely.

The Assembly is scheduled to meet at noon today.

Pursuit of County Position on Legislation

IHSS Wage Increase: The County’s Sacramento advocates have learned that language has been drafted to amend State law in an attempt to undermine the July 19, 2002 Superior Court ruling that the wages of homecare workers could not be increased through a County initiative on the November ballot. We do not know when or to what bill the amendment will be offered. However, **our Sacramento advocates will strongly oppose this effort to intervene in a local labor dispute and usurp the authority of the Board.**

AB 883 (Florez), as amended on August 13, 2002, would require each county that has created a Maddy Emergency Medical Services Fund (EMSF) to authorize its administering agency to maintain up to a 10 percent reserve in their EMSF. It would create a State Emergency Medical Services Equalization Fund and require that unallocated county funds be paid to that fund for redistribution to counties based on the number of emergency room visits. The measure would also raise the level of reimbursement for physicians from up to 50 percent to up to 75 percent and require the county administering officer of each EMSF to establish an advisory committee to review payment distribution methodologies to ensure timely payments.

Existing law authorizes each county to establish a Maddy Fund upon adoption of a resolution by the board of supervisors. After the costs of administration are deducted, counties are required to use the Maddy fund to reimburse physicians and hospitals for patients who do not make payments for emergency medical services. Physician payments are limited to 50 percent of the loss incurred. Currently Maddy Funds can be rolled over from one year to next.

The Department of Health Services (DHS) Emergency Medical Services Director indicates that many of the provisions of AB 883 are unclear. For example, it is not clear what the 10 percent reserve is intended to do or how it will be administered. The requirement to send unspent money to the State for redistribution to other counties is particularly onerous. Without the authority to roll over Maddy hospital funds, the County would have been unable to continue to assist in funding trauma hospitals for the past two years. Because it would further destabilize an already fragile funding system for emergency medical services, DHS recommends that the County oppose AB 883. Opposition to AB 883 is consistent with the County's existing policy to secure permanent and stable funding for the public and private emergency and trauma care system. **Therefore, our Sacramento advocates will pursue opposition to this bill.**

AB 883 is sponsored by the author and supported by the California Medical Association. It is opposed by the California State Association of Counties, County Health Executives Association of California, and the Emergency Medical Services Administrators Association.

AB 883 is awaiting consideration on the Senate Floor.

County-interest Bills Passed Out of Senate and Assembly Appropriations Committees

The following County-interest bills have passed from the Senate and Assembly Appropriations Committees' Suspense Files and now proceed to the Floor of their respective houses:

County-supported in concept AB 1421 (Thomson) would create an assisted outpatient treatment program for mentally ill persons that meet certain criteria.

County-opposed AB 1847 (Correa) would mandate that peace officers who become ill due to exposure to a biochemical substance are provided a presumption that the illness arose out of and in the course of employment and are eligible for a disability retirement.

County-supported AB 1947 (Washington) would permit those convicted of a felony and enrolled in a Proposition 36 drug treatment program to be eligible for food stamps.

County-supported AB 2075 (Chavez) would expand the requirement for a convicted defendant to pay the costs of probation services.

County-supported AB 2238 (Dickerson) would prohibit a person from knowingly posting personal information about any elected or appointed official on the Internet and would require the Judicial Council to report to the Legislature on how public agencies could protect information regarding public safety officials.

County-supported AB 2314 (Thomson) would require the Chancellors of the California Community Colleges and California State University to standardize nursing prerequisites and enter into transfer agreements among all community college and State university nursing programs.

County-supported AB 2729 (Wesson) would allow direct cash payment from the Victims of Crime Fund to reimburse domestic violence intervention counselors who assist victims of domestic violence and would increase the current reimbursement rate for peer counseling services provided by a rape counseling center.

County-supported SB 390 (Escutia) would require the State Department of Education, in collaboration with various agencies, to develop a California Child Care and Development Master Plan to guide the State's efforts to help families and local communities meet their child care and development needs.

County-supported SB 1346 (Kuehl) would authorize the California Integrated Waste Management Board to expand the State's tire recycling program by providing grants to local agencies to fund the difference in cost between using rubberized asphalt concrete and emulsion aggregate slurry or conventional asphalt in roadway reconstruction projects.

County-supported SB 1381 (Kuehl) would change the status of the Santa Monica Bay Restoration Project, renaming it the Santa Monica Bay Restoration Commission and authorizing it to coordinate all State efforts related to the protection, restoration and enhancement of the Santa Monica Bay and its watershed.

County-supported SB 1427 (Escutia) would make low-cost automobile insurance pilot programs permanent for the County of Los Angeles and the City and County of San Francisco by repealing the January 2004 sunset date.

County-opposed SB 1609 (Soto) would mandate that development of a blood-borne infectious disease by county health care workers is presumed to be contracted on the job, making them eligible for workers' compensation disability benefits and disability retirement.

County-opposed unless amended SB 1793 (Burton) would eliminate the Youthful Offender Parole Board and divide its responsibilities between the Juvenile Courts and local probation departments.

County-opposed SB 1975 (Johnson) would, beginning in 2004, mandate that there be three Statewide elections during Presidential election years (March, June and November), and two elections in Gubernatorial years (June and November).

County-interest Bills Remaining on Appropriation Committees' Suspense Files

The following bills remain on the Senate and Assembly Appropriations Committees' Suspense Files:

County-supported AB 915 (Frommer) would have required children admitted to kindergarten in Southern California counties to have a Hepatitis A vaccination starting July 2003 and would also have required the State Department of Health Services to develop and implement a public education and outreach program to raise awareness about Hepatitis A.

County-supported AB 1806 (Richman) would have required the State Department of Health Services, after January 1, 2003, to exercise its Federal option to expand eligibility for Medi-Cal by maximizing the amount of resources that individuals are allowed to retain for purposes of Medi-Cal eligibility, to the extent that Federal financial participation is available.

County-supported AB 1807 (Richman) would have required the State Department of Health Services to develop a one-page joint application for the Medi-Cal and Healthy Families Programs so that children could receive services based on presumptive eligibility, to the extent that funds are appropriated in the State Budget for this purpose.

County-supported AB 2747 (Wesson) would have provided a wage-based tax credit for film, television and commercial production companies that keep at least 50 percent of production in California.

County-supported SB 120 (Ortiz) would have helped ensure that low-income pregnant women are provided with the same benefits as other Medi-Cal and Healthy Families Program beneficiaries. SB 120 was amended on August 15, 2002 to contain the same provisions as **County-supported SB 402 (Ortiz)**.

County-opposed unless amended SB 1521 (Kuehl) would have 1) required the State Office of Planning and Research (OPR) to develop and periodically review model planning practices and policies that emphasize land uses that are economically, socially, and environmentally sustainable; 2) allowed the League of California Cities and the California State Association of Counties to submit nominations for one rural and two urban representatives from their respective organizations for appointment to a Planning Advisory and Assistance Council; and 3) expressed legislative intent that OPR consider the provisions of this bill as one of their most vital responsibilities.

County-supported SB 1548 (Alarcon) would have required the State Department of Education to develop diagnostic tools to determine whether students are mastering the content standards of the visual and performing arts curricula.

SB 1732 (Escutia) would have established procedures for transferring responsibility for trial court facilities from counties to the State.

We will continue to keep you advised of any new developments.

DEJ:GK
DRS:dlm

c: Executive Officer, Board of Supervisors
County Counsel
All Department Heads
Legislative Strategist
Local 660
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants